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**Bradford Woman Sentenced for Theft of Federal Funds**

Bangor, Maine: United States Attorney Paula D. Silsby announced that **Barbara Jean Pearson**, 43, of Bradford, was sentenced on December 10, 2007 to 21 months imprisonment, 3 years supervised release and \$14,594.68 restitution, for theft of public funds. Pearson pleaded guilty to Theft of More than \$1,000 from the U.S. Dept. of Health and Human Services Low Income Energy Assistance Program (LIHEAP) and to making false statements in her company's bankruptcy case on April 24, 2007.

The LIHEAP program is a federal program that provides heating and home energy assistance to low-income individuals and households. The program is administered by the U.S. Department of Health and Human Services, Administration for Children and Families through block grants to state and tribal agencies. In Maine, the Maine State Housing Authority (MSHA) administers the program, and in Penobscot County, MSHA administers the program through Penquis Community Action Program (Penquis CAP). LIHEAP benefits are limited to payment for the delivery of home energy (heating fuel).

Court records reveal that in February 1999, Cold Stream Oil Company was incorporated, with Pearson listed as Clerk and Incorporator. Since February 1999, Cold Stream signed two Vendor Agreements with the Maine State Housing Authority to become a vendor in the Home Energy Assistance Program (HEAP) and the Energy Crisis Intervention Program (ECIP). In 2001, Cold Stream Fuel, through Pearson, signed an updated Vendor Agreement with MSHA to become a HEAP and ECIP vendor.

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Between September 2001 and March 2002, Cold Stream received more than \$20,000 in HEAP funds. In February 2002, Pearson, owner of Cold Stream Oil Company, filed for Chapter 7 Bankruptcy Protection with the U.S. Bankruptcy Court in Bangor, Maine. On her Petition, and again at a hearing before a Bankruptcy Trustee, Pearson lied by failing to disclose the existence of an account in the name of Cold Stream Oil at a particular credit union.

After receiving complaints that Cold Stream oil was failing to make fuel deliveries to LIHEAP clients, the MSHA conducted an audit in February 2002 and learned that Cold Stream should have had \$6054 in unspent LIHEAP funds. Subsequent investigation revealed that Pearson had converted the LIHEAP funds for personal use and for non-LIHEAP related business use. Forensic analysis of her computer revealed that Pearson had been gambling on line with HEAP money that had gone to Cold Stream Oil and was intended to purchase fuel through the HEAP program.

United States Attorney Silsby praised the investigation conducted by the U.S. Department of Health and Human Services, Office of the Inspector General; the United States Postal Inspection Service; the Social Security Administration Office of the Inspector General; and the Maine State Housing Authority.

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